

## **NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED**

PUBLIC NOTICE IS HEREBY GIVEN that on May 13, 2010, the Board of Trustees of Kane County Water Conservancy District (the "Issuer"), adopted a resolution (the "Resolution") declaring its intention to issue its Parity Water Revenue Bonds (the "Bonds") pursuant to the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and to call a public hearing to receive input from the public with respect to the issuance of the Bonds.

### **TIME, PLACE AND LOCATION OF PUBLIC HEARING**

The Issuer shall hold a public hearing on June 10, 2010, at the hour of 7:30 p.m. The location of the public hearing is at the Kane County Courthouse, 76 North Main Street, Kanab, Utah. The purpose of the meeting is to receive input from the public with respect to the issuance of the Bonds and any potential economic impact to the private sector from the construction of the Project to be funded by the Bonds. All members of the public are invited to attend and participate.

### **PURPOSE FOR ISSUING BONDS**

The Issuer intends to issue the Bonds for the purpose of (i) financing all or a portion of the cost to construct water system improvements including construction of pumping stations and installation of SCADA system for the Quarter Circle H Subdivisions located in Orderville, Utah; and improvements to the Jackson Flat Reservoir project, including but not limited to archeological and environmental mitigation work, together with related improvements to and maintenance of the District's water system; and (ii) paying costs of issuing the Bonds.

### **PARAMETERS OF THE BONDS**

The Issuer intends to issue the Bonds in the principal amount of not to exceed \$3,900,000, to bear interest at a rate not to exceed 5.0% per annum, to mature in not to more than 35 years from their date or dates, and to be sold at a price not less than 100% of the total principal amount thereof, plus accrued interest to the date of delivery. The Bonds will specify that any installment of principal on the Bonds which shall not be paid when due shall bear interest at the rate of 18% per annum from the due date thereof until paid.

NOTICE IS FURTHER GIVEN that a period of 30 days from and after the last date of publication of this Notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever.

A copy of the Resolution is on file in the office of the Secretary in Kanab, Utah, where it may be examined during regular business hours of the Secretary from 8:00 a.m. to 5:00 p.m., Monday through Friday.

DATED this 13th day of May, 2010.

/s/ Jennifer Stewart  
Secretary

[Publish once each week for two consecutive weeks.]